

# Crystallex International Corp

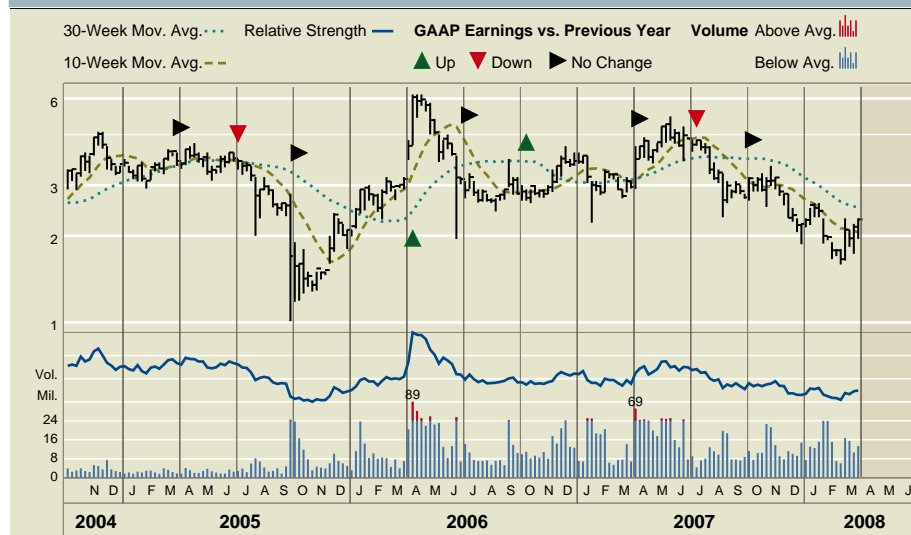
**GICS Sector** Materials  
**Sub-Industry** Gold

**Summary** This Toronto-based gold producer has operations and exploration properties in Venezuela.

**Key Stock Statistics** (Source S&P, company reports, Vickers)

Price as of Mar 20, 2008	<b>\$2.28</b>	Dividend Rate/Share	<b>Nil</b>	\$10K Invested 5 Yrs Ago	<b>\$26,207</b>	Total Shares Outstg. (M)	<b>261.7</b>
52-Wk Range	<b>\$5.25-1.59</b>	Trailing 12-Month P/E	<b>NM</b>	Beta	<b>2.46</b>	Market Capitalization(B)	<b>\$0.597</b>
Trailing 12-Month EPS	<b>\$-0.18</b>	Tangible Book Val/Share	<b>\$0.79</b>	Yield (%)	<b>Nil</b>	Institutional Ownership (%)	<b>28</b>

**Price Performance**



Options: ASE, P

**Quantitative Evaluations**

**S&P Quality Ranking** **C**

D	<b>C</b>	B-	B	B+	A-	A	A+
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**S&P Fair Value Rank** **NR**

1	2	3	4	5
LOWEST		HIGHEST		

**Fair Value Calculation** NA

**Volatility** **High**

LOW	AVERAGE	<b>HIGH</b>
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**Technical Evaluation** **NEUTRAL**

Since March, 2008, the technical indicators for KRY have been NEUTRAL.

**Relative Strength Rank** **STRONG**

<b>93</b>	
LOWEST = 1	HIGHEST = 99

S&P Financial Writer **Mark Schwiebert**

**Operational Review** March 14, 2008

**Income Statement Analysis & Financial Review**

Revenues for the nine months ended September 30, 2007 were \$8.8 million vs. \$22.4 million in the prior year, declining 61% year over year. Operating expenses were \$13.8 million, as opposed to \$21 million in 2006, decreasing 34%. Operating loss was \$5 million, vs. operating income of \$1.4 million for last year. Foreign exchange losses were \$4.8 million, compared with \$0.3 million last year. For the first three quarters of the fiscal year, net loss was \$35 million (\$0.14 a share), vs. a loss of \$24.1 million (\$0.11 a share) in 2006.

In the third quarter, revenues were \$2.2 million vs. \$9.8 million in the prior year, falling 78% year to year. Operating expenses were \$3.7 million, as opposed to \$9.1 million for the same period in 2006, falling 59%. Operating loss for the quarter was \$1.5 million, vs. a loss of \$0.7 million in the prior-year period. Selling, general & administrative expenses fell 46%, and foreign exchange losses increased to \$1.1 million, from \$0.3 million. Net loss was \$9.3 million (\$0.04 a share), vs. a loss of \$8.8 million (\$0.04 a share) in the third quarter of 2006.

**Key Operating Information**

The company sold 6,430 ounces of gold during the third quarter and 23,611 ounces in the 9 months

ended and September 31, 2007, compared with 15,661 ounces and 37,158 ounces for the like periods of 2006. The reduction in gold sales reflects lower gold production, which was attributable to mining and processing less ore, combined with lower ore grades and lower recovery of gold. Open pit mining was partially impacted by heavy rainfall and poor equipment availability, particularly the long lead time required to obtain a replacement drill compressor from the United States. Gold production for the third quarter was 6,688 ounces versus 12,040 ounces for third quarter last year.

**Recent Developments**

On February 28, 2008, KRY said its project partner, the Corporacion Venezolana de Guayana was formally notified by the Ministry of the Environment and Natural Resources of Venezuela that all the requirements for the issuance of the Las Cristinas Environmental permit had been fulfilled.

On February 11, the company announced that it had completed its previously announced offering of 32.89 million units at C\$2.10 per unit for gross proceeds of C\$69.1 million. KRY plans to use the net proceeds from the financing to develop the Las Cristinas Project, for debt service and for general corporate purposes.

**Revenue/Earnings Data**

**Revenue (Million U.S. \$)**

	1Q	2Q	3Q	4Q	Year
2007	6.36	4.92	2.19	--	--
2006	7.08	5.52	9.77	5.72	28.09
2005	5.05	6.30	7.02	--	24.99
2004	3.94	5.63	5.63	--	20.25
2003	--	--	--	--	15.57
2002	11.30	12.02	10.37	--	46.16

**Earnings Per Share (U.S. \$)**

	1Q	2Q	3Q	4Q	Year
2007	-0.03	-0.05	-0.04	--	--
2006	-0.03	-0.04	-0.04	-0.04	-0.15
2005	-0.04	-0.04	-0.05	--	-0.23
2004	-0.04	0.02	-0.05	--	-0.35
2003	--	--	--	-0.36	-0.67
2002	-0.01	-0.04	-0.03	--	-0.67

Fiscal year ended Dec. 31. Next earnings report expected: NA

**Dividend Data**

No cash dividends have been paid.

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**Crystallex International Corp****Business Summary** March 14, 2008

Crystallex International Corp. (KRY) engages in the production of gold and related activities, including exploration, development, mining and processing in Venezuela.

The company's principal asset is its interest in the Las Cristinas project that is under development in Bolivar State, Venezuela. The Las Cristinas project is expected to commence gold production in 2009 at an initial annualized rate of about 300,000 ounces at the initial planned production rate of 20,000 tons of ore per day. Continued development and the ultimate commencement of commercial production are dependent upon receipt of the Permit to Impact Natural Resources that will allow management to proceed to put in place financing to fund construction.

KRY's other assets include the Tomi operations, the Lo Incredible properties (which include the La Victoria deposit), and the Revemin mill, all of which are located in Bolivar State, Venezuela.

In 2006, gold production in Venezuela totaled 47,345 ounces (53,178 in 2005) including 19,428 (19,811) from Tomi Open Pits, 22, 210 (19,811) from Tomi Underground, 3,260 (1,491) from La Victoria, and 2,247 (1,586) from purchased material.

During 2006, gold was produced from three deposits on the Tomi concession and from an open pit mine on the La Victoria concession. Ore from the Tomi and La Victoria mines is processed at the company's Revemin mill, which is a conventional carbon-in-leach mill with a capacity of 1,350 tons per day. The company continues to conduct exploration on the Tomi properties with the aim of finding sufficient open-pit ore to supply the Revemin mill after the depletion of the existing Tomi pits

As of December 31, 2006, Las Cristinas had proven and probable reserves totaling 14 million ounces of gold; measured and indicated resources of 17.7 million ounces of gold (including reserves); plus an additional 4.5 million ounces of Inferred Resources. Tomi had underground reserves totaling 62,100 ounces of gold.

The Las Cristinas Project, located in the municipality of Sifontes in Bolivar State, Venezuela, encompasses three principal zones of mineralization, including the Conductorca Cuatro Muertos, Mesones Sofia, and Cordova areas, which together constitute the Las Cristinas Deposits.

The company's other assets are also located in Bolivar State, Venezuela and include three open-pit mines and one underground mine. Ore from these mines is delivered to the Revemin mill for processing. The Tomi operations comprise about 500 hectares and are held by wholly-owned Mineras Bonanza, C.A. under a concession that is located about 16 km northeast of the town of El Callao in the El Callao District, Bolivar State, Venezuela. The Tomi operations consist of three open-pit mines (Mackenzie, Milagrato and Fosforito) and one underground mine (Charlie Richards).

The La Victoria/Lo Incredible operations mine ore from the La Victoria open-pit mine, which is delivered to the Revemin mill for processing. Ore production from this mine is being used as a source of aggregate supply for Las Cristinas.

In December 2005, KRY acquired, through a wholly-owned subsidiary, the minority shareholder interests in Lo Incredible and owns 100% of Osmin Holdings Ltd. The company further acquired the 30% outstanding interest in Tamanaco Holdings Limited, a company that controls the Lo Incredible Mining Company de Venezuela, (C.A.).

The Lo Incredible properties are located in the 15-km long Lo Incredible Belt, a northeast trending zone of scattered gold mineralization located immediately north of the town of El Callao in the El Callao District, Bolivar State, Venezuela.

The Revemin mill is located about 3 km southeast of the town of El Callao in the El Callao District, Bolivar State, Venezuela and has the capacity to treat 1,250 metric tons of ore per day. The Revemin mill processes ore from the Tomi and Lo Incredible operations and ore purchased from independent miners at nearby operations. The company holds its interest in the Revemin mill through Revemin II, C.A. The Revemin mill extracts gold using a conventional carbon-in-leach circuit.

**Corporate Information****Investor Contact**

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**Officers****Chrmn**

R.A. Fung

**CFO**

H. Sawh

**Pres & CEO**

G. Thompson

**COO & SVP**

W.A. Faust

**Board Members**

M. J. Brown

R. A. Fung

C. W. Longden

H. J. Near

M. J. Oppenheimer

G. Thompson

A. F. Zullo

J. C. van't Hof

**Domicile**

British Columbia

**Founded**

1984

**Stockholders**

400

## Crystallex International Corp

## Key Stock Statistics

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52-Wk Range	<b>\$5.25-1.59</b>	Trailing 12-Month P/E	<b>NM</b>	Beta	<b>2.46</b>	Market Capitalization(B)	<b>\$0.597</b>
Trailing 12-Month EPS	<b>\$-0.18</b>	Tangible Book Val/Share	<b>\$0.79</b>	Yield (%)	<b>Nil</b>	Institutional Ownership (%)	<b>28</b>

## Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	12.40	21.91	-13.29	11.21
Net Income	NM	NM	NM	NM
<b>Ratio Analysis (Annual Avg.)</b>				
Net Margin (%)	NM	NM	NM	NM
% LT Debt to Capitalization	30.13	35.94	27.82	24.33
Return on Equity (%)	NM	NM	NM	NM

## Expanded Ratio Analysis

	2006	2005	2004	2003
Price/Sales	29.67	16.83	30.54	20.98
Price/EBITDA	NM	NM	NM	NM
Price/Pretax Income	NM	NM	NM	NM
P/E Ratio	NM	NM	NM	NM
Avg. Diluted Shares Outstg (M)	230.2	194.7	172.2	118.3

Figures based on calendar year-end price

## Company Financials Fiscal Year Ended Dec. 31

Per Share Data (U.S. \$)	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Tangible Book Value	0.79	0.62	0.74	0.75	0.88	1.13	1.87	1.19	1.21	NM
Cash Flow	-0.14	-0.21	-0.31	-0.62	-0.52	0.08	0.12	0.07	-0.10	-0.21
Earnings	-0.15	-0.23	-0.35	-0.67	-0.67	Nil	0.04	0.05	-0.13	-0.24
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	6.25	4.25	4.68	3.25	2.56	2.20	2.81	1.75	8.31	6.19
Prices:Low	1.95	1.01	1.60	0.69	1.20	0.63	0.75	0.50	0.30	1.90
P/E Ratio:High	NM	NM	NM	NM	NM	NM	47	22	NM	NM
P/E Ratio:Low	NM	NM	NM	NM	NM	NM	13	6	NM	NM

## Income Statement Analysis (Million U.S. \$)

Revenue	28.1	25.0	20.2	15.6	46.2	55.6	47.7	35.9	8.60	4.50
Operating Income	-21.9	-20.9	-21.3	-23.1	-4.47	12.4	10.9	9.17	-7.60	-7.80
Depreciation	2.48	3.75	6.19	4.55	12.4	8.89	6.73	4.12	1.50	1.27
Interest Expense	12.9	11.8	0.55	1.30	2.98	2.25	1.05	1.25	0.16	0.30
Pretax Income	-35.7	-45.2	-60.4	-78.0	-56.5	1.37	3.31	5.27	-7.20	-9.50
Effective Tax Rate	NM	NM	NM	NM	NM	NM	NM	NM	NM	Nil
Net Income	-35.7	-45.2	-60.3	-78.0	-56.5	0.07	3.31	5.27	-7.20	-9.50

## Balance Sheet &amp; Other Financial Data (Million U.S. \$)

Cash	28.6	4.07	5.77	33.9	5.70	14.6	4.65	6.69	5.60	16.8
Current Assets	38.7	20.1	43.6	41.2	17.3	27.9	21.0	21.8	15.4	18.4
Total Assets	298	251	260	174	182	198	164	113	106	66.3
Current Liabilities	16.2	22.7	27.7	36.5	36.9	19.9	18.1	15.3	13.8	3.00
Long Term Debt	84.5	94.5	80.7	8.37	26.2	24.8	32.7	16.8	23.3	12.2
Common Equity	196	132	144	102	84.1	144	111	79.4	67.8	51.2
Total Capital	281	227	224	111	110	177	144	96.2	91.1	63.4
Capital Expenditures	48.4	94.4	50.9	12.3	43.7	13.9	3.61	2.09	7.50	0.50
Cash Flow	-33.2	-41.5	-54.1	-73.5	-44.1	8.96	10.0	9.39	-5.70	-8.20
Current Ratio	2.4	0.9	1.6	1.1	0.5	1.4	1.2	1.4	1.1	6.1
% Long Term Debt of Capitalization	30.1	41.7	36.0	7.6	23.7	14.1	22.7	17.5	25.6	19.2
% Net Income of Revenue	NM	NM	NM	NM	NM	0.1	6.9	14.7	NM	NM
% Return on Assets	NM	NM	NM	NM	NM	0.0	2.4	4.8	NM	NM
% Return on Equity	NM	NM	NM	NM	NM	0.1	3.5	7.2	NM	NM

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

**Crystallex International Corp****Sub-Industry Outlook**

Our fundamental outlook for the gold sub-industry is positive. Based on our expectation for another increase in the gold price in 2008, we look for higher sales and earnings for this group even though production volumes are likely to be unchanged or even down slightly from 2007's levels.

While the price of gold has been rising steadily since 2001 and reached the highest average level in 2007 since 1980, we believe that the price will rise again in 2008, for several reasons.

First, we believe that U.S. GDP growth will be 1.2% in 2008, versus estimated GDP growth of 2.2% in 2007 and 2006 growth of 2.9%. We believe the Fed will continue to reduce short-term interest rates in response to continued slow GDP growth. In our view, lower short-term interest rates reduce the opportunity cost of holding gold as an investment and should allow gold to rise even if other commodities plateau or decline in response to slower economic growth.

Second, notwithstanding the higher gold price, global production has been stagnant for the past 10 years. The low level of gold prices in the late 1990s led to a drop in exploration and large new discoveries. According to data compiled by Gold Fields Minerals Service, a U.K.-based metals consulting firm and publisher, global output increased at a 0.8% compound annual growth rate (CAGR) from 1997 through 2006 (latest available data), while consumption rose at a CAGR of 1.5%. We believe that production will remain stagnant for the balance of the decade, as old mines are becoming depleted and are not being replaced to the extent needed to lift output. This, combined with rising demand, should cause the chronic gap between production and consumption of gold to widen further, in our view, helping to lift the price of

gold.

Third, we believe that greater volatility of the major world currencies will likely increase the demand for gold as a monetary reserve asset. In addition, we believe that the U.S. dollar is in a secular bear market. Moreover, we believe that China and other countries that hold a large portion of their foreign exchange reserves in the U.S. dollar will ultimately diversify out of the dollar and into other currencies and gold.

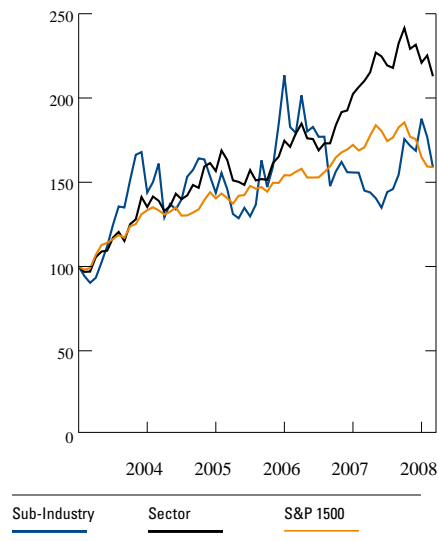
Year to date through March 14, the S&P Gold Index rose 9.8%, compared to a 12.1% decrease in the S&P 1500 Stock Index, a 3.4% decline in the S&P 500 Materials Index, and a 20% rise in spot gold. In 2007, the sub-industry index rose 8.2%, versus a 3.6% gain for the S&P 1500, a 20.3% increase in the S&P 500 Materials Index, and a 31.6% rise in spot gold.

--Leo Larkin

**Stock Performance**

**GICS Sector: Materials**  
**Sub-Industry: Gold**

Based on S&P 1500 Indexes  
Month-end Price Performance as of 02/29/08



**NOTE:** All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

**Sub-Industry : Gold Peer Group\*: Gold & Precious Metals - Mining & Exploration**

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
<b>Crystallex Intl</b>	<b>KRY</b>	<b>597</b>	<b>2.28</b>	<b>5.25/1.59</b>	<b>2.46</b>	<b>Nil</b>	<b>NM</b>	<b>NA</b>	<b>C</b>	<b>28</b>	<b>NM</b>	<b>30.1</b>
Apollo Gold	AGT	89	0.57	0.78/0.36	NA	Nil	NM	NA	C	NA	NM	2.0
Goldcorp Inc	GG	26,316	37.31	46.30/21.00	0.47	0.5	57	22.80	B	25	23.9	4.6
Golden Star Resources	GSS	1,005	4.31	4.95/2.65	1.05	Nil	NM	NA	B-	78	51.1	11.6
Great Basin Gold	GBN	711	3.50	3.85/1.82	1.45	Nil	NM	NA	NR	43	NM	NA
Lihir Gold ADS	LIHR	6,013	31.57	41.43/21.72	1.31	Nil	NM	36.20	NR	61	17.3	21.2
Randgold Resources ADS	GOLD	3,040	44.15	56.15/20.83	0.96	0.2	74	34.30	NR	15	19.7	6.9
Richmont Mines	RIC	82	3.39	4.18/2.38	1.17	Nil	7	NA	C	3	NM	NA
Royal Gold Inc	RGLD	883	29.37	35.42/23.25	1.71	1.0	43	18.00	B	32	40.8	4.5

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

**Crystallex International Corp****S&P Analyst Research Notes and other Company News****November 26, 2007**

Crystallex International Corp. reported earnings results for the third quarter and nine months ended September 30, 2007. The Company recorded a net loss for the third quarter of 2007 of \$9.3 million, or \$0.05 loss per share, as compared with net losses of \$8.8 million or \$0.04 loss per share for the comparable period in 2006. The losses in the third quarter of 2007 are principally attributable to the aggregate of corporate general and administrative costs, interest expense, foreign exchange losses and losses at the El Callao mining operations. Revenue from gold sales declined to \$2.2 million in the third quarter of 2007 from \$9.8 million in the year earlier period as fewer ounces of gold were sold and the conversion of USD sales proceeds to Bs using a higher Bs parallel exchange rate as compared to the lower Bs fixed official rate in the previous period. The Company recorded a net loss for the first nine months of \$35.0 million, or \$0.14 loss per share, as compared with net losses of \$24.1 million, or \$0.11 loss per share for the comparable period in 2006. The losses in the first nine months are principally attributable to the aggregate of corporate general and administrative costs, interest expense, foreign exchange losses and losses at the El Callao mining operations. The increase in the net loss for the first nine months, from \$24.1 million in 2006 to \$35.0 million in 2007, is due primarily to recording an operating loss of \$5.0 million at the El Callao operations compared to an operating income of \$1.4 million, coupled with higher foreign exchange loss of \$4.8 million compared to \$0.3 million foreign exchange loss in the comparative period. Revenue for the first nine months decreased from \$22.4 million in 2006 to \$8.8 million in 2007. The reduction in gold sales reflects lower gold production, which was attributable to mining and processing less ore, combined with lower ore grades and lower recovery of gold and the effects of the parallel rate versus the official rate in Venezuela.

**August 13, 2007**

Crystallex International Corp. reported earnings results for the second quarter and six months ended June 30, 2007. For the quarter, the company reported a net loss of \$11.7 million or \$0.05 per share compared to \$8.3 million or \$0.04 per share for the comparable period in 2006. Revenues were \$4.9 million against \$5.5 million in the year ago period. For the six months, the company reported a net loss of \$19.8 million or \$0.08 per share compared to \$15.2 million or \$0.07 per share for the comparable period in 2006. Revenues were \$11.2 million against \$12.5 million in the year ago period. The losses in the first six months and second quarter of 2007 are principally attributable to the aggregate of corporate general and administrative costs, interest expense and losses at the EL Callao mining operations. The increase in the first half loss is due primarily to recording an operating loss of \$2.1 million at the El Callao operations for six months of 2007 as compared an operating profit of \$0.7 million in the first six months of 2006, coupled with higher general and administrative expenses. As a result of lower gold sales, revenue decreased in both the second quarter and first half of 2007 as compared with the comparable periods in 2006.

**June 14, 2007**

UP 0.61 to 4.52... Receives notice that requirements of Ministry of Environment, Natural Resources of Venezuela for issuance of Environmental permit to begin construction of Las Cristinas Project have been fulfilled.

**May 17, 2007**

NEW YORK (Standard & Poor's)--May 14, 2007, Crystallex Intl. Corp., announced 1Q loss per share of \$0.03 vs. loss of \$0.03.

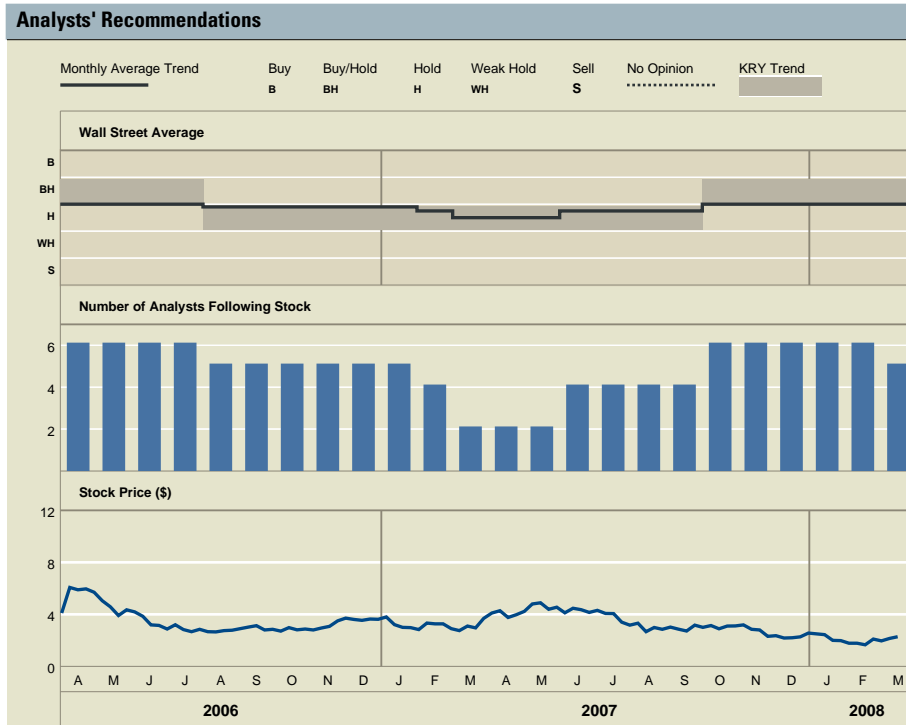
**April 16, 2007**

NEW YORK (Standard & Poor's)--Mar. 30, 2007, Crystallex Intl. Corp., announced an annual loss per share of \$0.15 vs. loss of \$0.23.

**March 28, 2007**

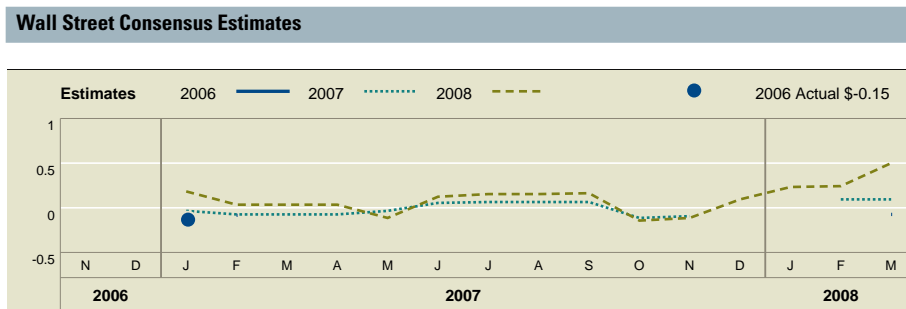
UP 1.00 to 4.05... Says it's aware GOLD RESERVE announced its Brisas Project been awarded Environmental Approval, Construction Permit... Says award clear signal Venezuela fulfilling its promise to advance mining projects.

# Crystallex International Corp



Of the total 7 companies following KRY, 5 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	1	20	2	2
Buy/Hold	1	20	1	1
Hold	2	40	2	2
Weak Hold	0	0	0	0
Sell	1	20	1	1
No Opinion	0	0	0	0
<b>Total</b>	<b>5</b>	<b>100</b>	<b>6</b>	<b>6</b>



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2008	0.51	0.51	0.51	1	4.5
2007	0.10	0.20	NA	2	22.8
<b>2008 vs. 2007</b>	<b>▲ 410%</b>	<b>▲ 155%</b>	<b>NA</b>	<b>▼ -50%</b>	<b>▼ -80%</b>

### Wall Street Consensus Opinion

**HOLD**

### Companies Offering Coverage

- Haywood Securities
- Macquarie Research Equities
- Maison Placements
- Paradigm Capital Inc.
- Research Capital, Inc.
- Sprott Securities Ltd.
- Wellington West CM

### Wall Street Consensus vs. Performance

For fiscal year 2007, analysts estimate that KRY will earn \$0.10. For fiscal year 2008, analysts estimate that KRY's earnings per share will grow by 410% to \$0.51.

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

# Crystallex International Corp

## Glossary

### Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

### S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

### S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following:

- 5-Stock is significantly undervalued
- 4-Stock is moderately undervalued
- 3-Stock is fairly valued
- 2-Stock is modestly overvalued
- 1-Stock is significantly overvalued

### S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

### Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

### Funds From Operations (FFO)

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

### Volatility

Rates the volatility of the stock's price over the past year.

### Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

### Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

### Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

### Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.